

1	2	3	4	5	6	7	8
11.	Uttar Pradesh	270.69	409.96	583.09	744.07	878.69	2896.50
12.	West Bengal	134.82	159.70	194.74	229.69	279.62	998.65
Total		991.53	1332.53	1779.93	2216.87	2879.97	9000.83

[English]

### Credit Deposit Ratio

4454. SHRI GIRDHARI LAL BHARGAVA :  
SHRIMATI VASUNDHARA RAJE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Credit Deposit Ratio of the commercial banks operating in the State of Rajasthan is as per the norms of Government of India and Reserve Bank of India;

(b) whether a Task Force to ascertain the reasons for low credit deposit ratio and to suggest measures for improvement in the C:D Ratio was constituted by the RBI for the State of Rajasthan;

(c) if so, whether the commercial banks operating in the State did follow the recommendations of the Task Force;

(d) if not, what action has been taken by the Government and RBI against the defaulting banks;

(e) whether the Government propose to increase the investment in the State so that C:D Ratio of the State could be improved as per norms; and

(f) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (f) Reserve Bank of India (RBI) have advised the banks to achieve a Credit Deposit Ratio (CDR) of 60% in respect of their rural and semi-urban branches separately on an all India basis. Banks have also been advised that while it is not necessary that this ratio should be achieved separately branch-wise, District-wise or Region-wise, the banks should nevertheless ensure that wide disparity in the ratios between different States/Regions is avoided in order to minimise imbalances in credit deployment. However, the CDR in a particular State or Region depends upon the credit absorption capacity of the State/Region which in turn is determined and influenced by factors such as

development of infrastructural facilities like irrigation, power, rail, road, transport, basic and technical education, entrepreneurship and availability of required inputs and marketing outlets for agricultural and industrial productions.

The CDR of scheduled commercial banks as on the last Friday of March 1996 in the State of Rajasthan was 46.6 per cent.

(b), (c) & (d) Yes, Sir. Bank of Baroda, the Convenor Bank for State Level Bankers Committee (SLBC) for Rajasthan has reported that the commercial banks operating in the State have been following the recommendation of the Task Force on CDR and making efforts to improve the same. The issues/progress are discussed in SLBC meetings from time to time.

### Indian Overseas Bank

4455. SHRIMATI SHEELA GAUTAM : Will the Minister of FINANCE be pleased to state :

(a) whether a number of officers are Charge Sheeted/Suspended in Indian Overseas Bank due to their making payment of Demand Drafts, Credit Advices/Schedules etc. signed by officers whose signatures differ from their specimen signature;

(b) if so, details thereof together with the amount involved;

(c) whether any training is given to officers about signature verification and the latest methods etc. used by criminals in banks frauds and how to overcome them from safeguarding the hard-earned money of customers deposited in the bank; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The Indian Overseas Bank has reported that as on date nine officers are facing disciplinary action for procedural lapses committed by them while making payment of Demand Drafts, Mail Transfers, etc. wherein the signatures of the officers of the issuing branches on the said

instruments, differ from their specimen signatures. An aggregate amount of Rs. 20.25 lakhs was involved in four instances of encashment of DDs for which disciplinary action is being taken against these nine officers. The Bank has also reported that these cases have also been referred to police for investigation.

(c) and (d) Training on "Signature Verification" is given to officers in the Bank to prevent frauds in the areas of Payment of Demand Drafts etc. and for safeguarding customers money deposited in Bank. A session on Preventive Vigilance is included in all the General Banking Programmes for Officers conducted by Bank's Staff Training Colleges.

Fraud prevention check-list is provided in the Manager's Work Book supplied to each Branch Manager. Circulars/Letters are sent periodically to Regional Managers and Branch Managers advising remedial measures to contain frauds.

#### **Accountability of Banks**

4456. DR. MURLI MANOHAR JOSHI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received a memorandum during December 1996 from the All India Bank Employees Association in which suggestions regarding transparency and accountability of Banks were made;

(b) if so, the salient points made therein;

(c) whether Government have taken any decision regarding the secrecy clause with regard to balance sheet and defaulters.

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) The salient points of the representation received from the All India Bank Employees Association are viz. (i) restructuring of Banks, (ii) wilful default of Bank loans to be made as a criminal offence, (iii) full disclosure of the list of all bank defaulters, (iv) banks' balance sheets should be absolutely transparent, (v) establishment of independent audit commission, (vi) establishment of a Central vigilance Commission, (vii) appointment of Banks' Chairman & Executives through a Banking Service Commission, (viii) standing Parliamentary Committee

should be set up to screen the performance of nationalised banks (ix) periodic consultation with unions of employees and officers, and (x) not to establish Local Area private banks.

(c) to (e) a revised format for bank balance sheet was introduced with effect from 1991-92. This format provides for greater disclosure particularly in regard to the accounting policies adopted and necessary provisions made. While there could be room for more transparency, the parameters of the same has not been spelt out in the representation. As regards disclosure of names of defaulters, the same cannot be done keeping in view the secrecy laws relating to the banker customer relationship as available in various statutes of the country as well as in other countries of the world. List of suit filed defaulter borrowers' accounts having default of Rs. 1 crore and above indicating position as on 31st March, 1994 and 1995 have been published it may however, be added that effecting improvements in the banking industry is a continuous process in which suggestions received from different sources are kept in view in the light of all relevant factors.

#### **Balance of Payment**

4457. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether deficit has widened despite rise in exports, as has been brought out in the news item captioned "Deficit widens despite rise in exoorts" appearing in the Times of India dated March 2, 1997:

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to narrow the deficit vis-a-vis balance of payment ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The export growth rate during the period April-January, 1997 was 6.2 percent, a little higher than the import growth rate of 6.1 percent. Because of the higher base of import during the corresponding period last year, trade deficit has increased marginally by \$ 232 milion.

(c) Government constantly reviews policies and procedures for providing an export friendly environment.

#### **Housing scheme of LIC in U.P.**

4458. DR. RAMVILAS VEDANTI : Will the Minister of FINANCE be pleased to state :

(a) whether Life Insurance Corporation of India has